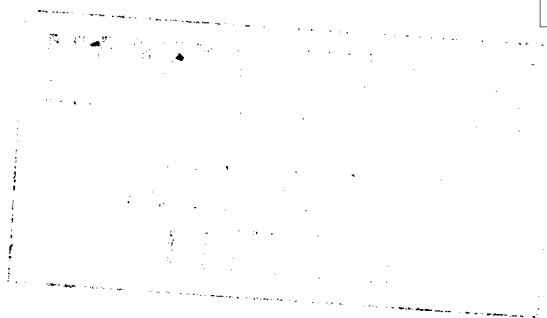




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# Industrial-Country Unions: Declining Economic and Political Strength

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An Intelligence Assessment

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July 1983

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# **Industrial-Country Unions: Declining Economic and Political Strength**

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**An Intelligence Assessment**

This paper was prepared by [redacted]  
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welcome and may be directed to the Chief,  
Economic Analysis Branch, OGI, [redacted]

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**Industrial-Country Unions:  
Declining Economic and  
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**Key Judgments**

*Information available  
as of 15 July 1983  
was used in this report.*

Organized labor in the major foreign industrial countries has lost considerable economic and political clout in the past few years. Membership rolls are down sharply, the ability of unions to secure employment and wage gains for their members has been severely curtailed, and allied political parties have lost strength along with the unions.

Although the recession has contributed to recent setbacks, we believe basic structural shifts in the world economy are the key factors in organized labor's slide:

- The shift in demand away from union strongholds in basic manufacturing industries and the associated drops in employment have undermined union membership bases.
- At the same time, employment-growth fields such as information services, communications, and electronic equipment production are not easily organized by unions because firms are generally smaller, more competitive ventures employing relatively few skilled technicians.
- Austere government budgets and a more conservative political outlook in many industrial countries—including those with socialist governments—make it unlikely that public service will again be a growth sector in the 1980s.

These changes, accentuated by demographic trends that spell rapid increases in the labor force, probably will continue to erode the economic and political influence of unions in the industrial economies.

The greatest political impact of declining union strength has been felt by the major socialist-oriented political parties—in or out of power—in Western Europe. Members of the principal socialist-dominated labor unions are turning to the more traditional center-right parties; whether this trend will continue is uncertain. Economic recovery could solidify the shift by union members to conservative voting positions in countries with center-right governments. A continuation of economic difficulties in those countries, however, could cause a swing back to the left. In either case, union influence will probably be less than it is at present.

A dropoff in union political effectiveness is likely to be felt in other ways also. Some unions, seeking to voice their political concerns, have begun to cooperate with autonomous protest groups—environmentalist, prodissarmament and antinuclear, ethnic, and other. In addition, disaffected younger union members and unemployed youth have increasingly participated in

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nonunion political activity in Western Europe. Worker frustration over union impotence on wage and job security issues could find an outlet in labor strikes focusing on general economic, social, and political issues. Work stoppages primarily for job-related reasons, however, are likely to remain relatively insignificant until recovery is well under way and union confidence is restored.

From the standpoint of US interests, foreign unions are showing a growing tendency to argue that existing international trade, investment, and monetary arrangements are impediments to restoring economic security. Some of their faultfinding has extended to such issues as the Soviet-West European pipeline and NATO missile deployment. To the extent that this more international focus of unions continues or affects government policy, additional tensions could surface in Western economic relations.

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## Industrial-Country Unions: Declining Economic and Political Strength

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### Unions Expand Economic and Political Role Through the Mid-1970s

Foreign industrial-country<sup>1</sup> labor unions substantially increased their strength and effectiveness from the late 1950s through the mid-1970s. Union membership in OECD countries outside of the United States more than doubled between 1960 and 1975, climbing from 25 to 35 percent of the work force. West European unions increased their share of the labor force from 29 to 40 percent as the large public-service sectors in the United Kingdom, Italy, and the Scandinavian countries were organized (figure 1 and appendix A). The unionization of Japan's labor force rose from 17 to 24 percent.

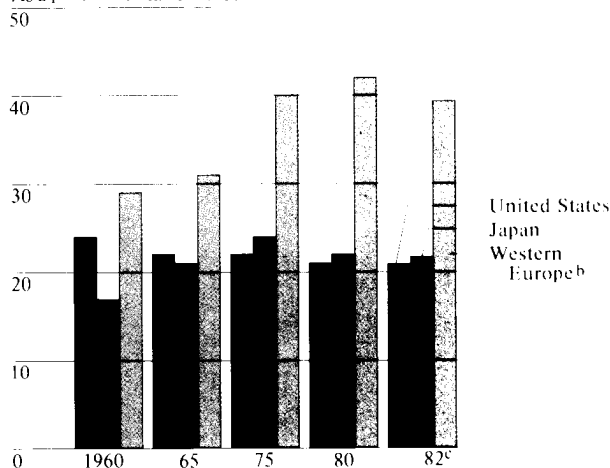
Trade unions and their members profited from the strong economic performances of this period. Real wage gains in Japan and Western Europe averaged 5 percent a year for more than two decades while unemployment remained low. Labor was so scarce in the prospering European Community that over 8 million work permits were issued to guest workers between 1958 and 1972 to ease acute shortages. Labor's share of OECD GDP increased from 53 to 58 percent between 1960 and 1975.

Labor unions developed into major political and economic power centers during this time. Close ties grew between West European unions and Socialist, Christian-Democrat, or Communist parties on the basis of shared outlooks, core constituencies, and mutually supportive policy interests. Throughout Western Europe, unions helped mold the general pattern of social policy evolving in the postwar period. Through political activism they helped set the course

<sup>1</sup> Industrial countries are members of the Organization for Economic Cooperation and Development (OECD). Included are the United States, Japan, West Germany, France, the United Kingdom, Italy, Canada, Australia, New Zealand, Austria, Belgium, Denmark, Finland, Greece, Iceland, Ireland, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and Turkey.

**Figure 1**  
**Industrial Countries: Membership**  
**in Labor Unions<sup>a</sup>**

As a percent of labor force



<sup>a</sup> Taken from the OECD and various statistical yearbooks of the individual countries; membership estimates are not precise because of diverse methods of compilation between countries but should accurately portray trends within each country or region over time. Data for individual West European countries are presented in appendix A.

<sup>b</sup> Includes West Germany, France, the United Kingdom, Italy, Denmark, Finland, Netherlands, Norway, and Sweden, as well as Canada and Australia.

<sup>c</sup> Estimated.

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for an expanding public-sector role in welfare and social security and became closely involved in broad areas of economic decision making, including determining income distribution and tax policies.

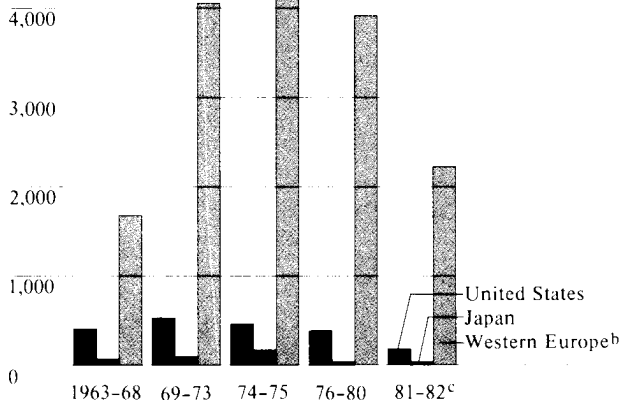
Initially, this period was characterized by generally peaceful industrial relations, primarily because there was widespread acceptance of the concept of a "social partnership" between labor organizations and government, allied parties, and employers. In the early 1970s, however, a variety of inflammatory political,

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**Figure 2**  
**Industrial Countries: Workdays**  
**Lost to Labor Disputes**

Average annual number of days per 1,000 employees<sup>a</sup>  
 5,000



<sup>a</sup> The number of days lost because of labor disputes is divided by the number of employed persons in each country or region to enable meaningful comparisons.

<sup>b</sup> Includes West Germany, France, the United Kingdom, Italy, Denmark, Finland, Netherlands, Norway, Sweden, as well as Canada and Australia.

<sup>c</sup> Estimated.  
 Source: OECD.

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social, and economic issues culminated in a wave of strike activity that swept across the industrial countries (figure 2 and appendix B). Labor strife centered around public-sector unions—such as the bitter civil service strikes in Sweden and Italy in 1971 and 1972 and the Danish general strike, led by public unions, in 1973. More radical leadership was particularly evident among teacher, technician, civil service, bank employee, and transport unions.

#### **The 1974-75 Recession: Beginnings of Reversal**

In our judgment, the 1974-75 recession marked a turning point in the economic performances of the industrial countries and, in retrospect, for industrial-country unions. On the one hand, unions did relatively well during the recession as high worker expectations, the protective cushion provided by elaborate welfare systems, and strong public support helped industrial-country unions maintain real wage growth. More than half of the countries in Western Europe experienced real wage increases exceeding 5 percent a year during 1974-75, and in several countries—France, Austria,

Belgium, Norway, and Spain—unions actually won accelerated real wage increases (figure 3). Unions also protected cost-of-living adjustments and minimum wage legislation and successfully pressed for expanding income-maintenance programs for their unemployed members. On the other hand, employment in the OECD declined for the first time in 20 years, and joblessness rose to over 18 million.

During the 1976-79 economic recovery, unions found themselves, for the first time in recent memory, unable to maintain rapid wage increases, membership growth, or even constituent job security. Several factors played a part:

- High labor costs, for both wages and nonwage items, and employee protection laws created major disincentives for businesses to increase their work force.
- Consumer-price inflation failed to subside, heightening the sensitivity of the electorate to the role of wages and indexation in the inflation problem.
- Technological innovation and growing competition from low-wage LDCs accelerated shifts in demand for industrial-country labor.
- The large number of new entrants—young people and women—to labor markets created a growing labor surplus.

As a result, 1976-80 real wage increases in Western Europe averaged only 2.1 percent a year, less than half that achieved during the recession. In Japan, real wage growth dropped to less than 2 percent annually. Employment fell in Japan, and more than 600,000 manufacturing jobs were eliminated in West European steel, textile, and automobile sectors. Concurrently, union membership fell in Japan for the first time in one and a half decades; union rolls continued to grow in Western Europe, but at a fraction of the pace of the previous 10 years.

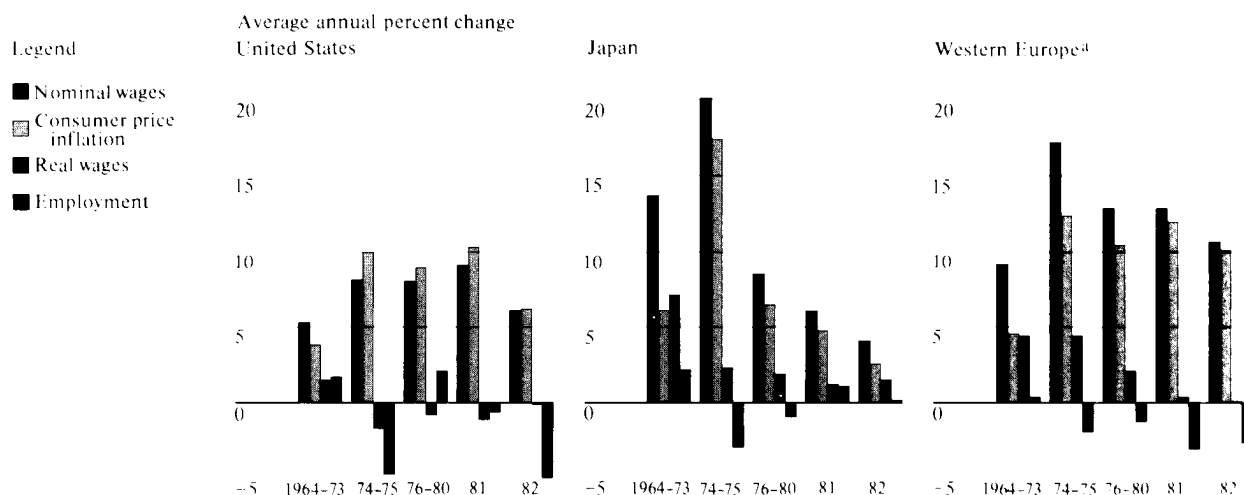
#### **Major Setbacks in the 1980-83 Recession**

The recent recession, coming hard on top of the multiple economic problems of the 1970s, has, in our opinion, caused major reductions in union strength, bargaining power, and achievements.

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**Figure 3**  
**Industrial Countries: Selected Indicators of Economic Performance**



<sup>a</sup>Includes West Germany, France, the United Kingdom, Italy, Belgium, Denmark, Finland, Ireland, Netherlands, Norway, Spain, and Sweden, as well as Canada and Australia.

Source: OECD.

**Economic Reversals.** Real wage growth in Western Europe fell to 0.8 percent in 1981 and declined to 0.5 percent in 1982 as employers took advantage of the relatively strong bargaining positions provided by high unemployment. In West Germany, the Netherlands, and the Scandinavian countries, real wages declined in both years. In Japan during the same period, real wages grew 1.2 and 1.5 percent, respectively. A recent survey of collective bargaining agreements indicates that unions are unlikely to regain much lost ground this year on the wage front (see highlighted text). Moreover, despite the lowest real wage gains in more than a decade, the number of industrial jobs available probably will continue to decline this year, according to OECD estimates.

**Membership Losses.** Since 1979 union membership in most foreign industrial countries has fallen sharply. Although union rolls in Japan have declined only slightly, unions in Western Europe have lost an estimated 2 million members either through attrition

or because of members' frustration with trade union leadership:

- The Trade Union Association (DGB) of West Germany was down 200,000 members in 1981 and probably at least that many again in 1982.
  - As of 1982, membership in the United Kingdom's Trade Unions Congress (TUC) was down 1 million from the 1980 membership.
  - Italy's General Confederation of Labor (CGIL) lost 135,000 members last year, and the Italian Union of Labor (UIL) reportedly lost 56,000.
  - In the Netherlands, union strength fell by 70,000 in 1981 and by an additional 90,000 in 1982.
  - Sweden's Federation of Trade Unions (LOS) lost more than 300,000 members during 1980-82.
- Union finances have suffered losses commensurate with sliding membership, reducing strike and worker aid funds.

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**Collective Bargaining Developments**

*In Japan, Tokyo imposed a one-year pay cap last fall on 3 million federal employees. The cap is expected to filter down to prefectural and local government employees as well as the public corporations, eventually affecting some 6 million civil servants. Originally scheduled to receive raises of 4.58 percent, the workers will receive only the 2-percent increment guaranteed under the government's pay scale provisions.* [ ]

*In West Germany, the poor economic situation—approximately 2.5 million unemployed and only slight GNP growth expected in 1983—made union mobilization for the annual wage round nearly impossible. Work stoppages in 1982 were at the lowest level since 1951, reflecting a lack of worker interest in confronting employers. Bonn, in an effort to influence 1983 settlements, broke tradition and announced a 2-percent wage hike for the 1.7 million national civil servants in advance of most private-sector wage negotiations. Pay raises averaged about 3 percent.* [ ]

*Wage and price controls were in effect for much of last year in France as the socialist government signaled its intention to get a grip on inflation. Mitterrand's wage guideline for 1983 is 8 percent, and, thus far, agreements covering 3.6 million workers have been signed that fall within the guideline while negotiations with another 6.4 million workers continue. Last October, when the freeze was officially ended, Paris set the tone for bargainers by holding public-sector pay raises to 3 percent. Workers have also taken 10 billion francs' worth of aggregate cuts in unemployment benefits, but left-leaning unions are still reluctant to severely criticize the socialist government.* [ ]

*Prime Minister Thatcher of the United Kingdom is pushing hard for a 4-percent ceiling on pay increases this year—the maximum treasury contribution that she is allowing to public agencies for salary hikes. Most local authority workers have already settled at this amount. Usually militant miners docilely accepted a 6.2-percent increase. The waterworkers' strike,*

*however, resulted in a double-digit pay raise, which prompted legislative proposals to ban public unions from striking. The three things that might ignite labor in 1983—more than 3 million unemployed; antiunion legislation restricting activity in strikes, representation disputes, and secondary boycotts; and lower public pay guidelines—have drawn scant reaction from members. Trade unions, which provide 75 percent of the Labor Party's operating budget and 95 percent of its campaign funds, were further humbled by the overwhelming Conservative electoral win.* [ ]

*In Italy, negotiations with the United Federation of Labor have led to a restructuring of the scala mobile, the wage indexation system. Implementation of the new labor cost agreement in February resulted in a cost-of-living increase that was 18 percent below what workers would otherwise have received. The change in the method of computing the wage adjustment is likely to chip a percentage point off of the 1983 inflation rate and should have even greater cumulative effects. Absenteeism—a chronic problem for much of Italian industry because of the difficulty in discharging even the most recalcitrant employees—has declined to an average 10 percent at Fiat during the previous two years. In a press interview Alfa Romeo officials reported that absentee rates dropped from nearly 17 percent in 1981 to less than 12 percent in 1982.* [ ]

*The governments of smaller West European countries are also moving aggressively to break the link between wages and prices. In the Netherlands, the two largest unions accepted an approximate 2.5-percent-point annual reduction in the cost-of-living adjustment in return for a reduced work-week—to reach 36 hours by 1986. Belgium, too, lowered the amount of the wage adjustment and froze wages and prices following an 8.5-percent devaluation of the franc last year.* [ ]

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*Denmark* has suspended wage indexation until January 1985. National labor negotiations were concluded that set wage hikes of 5 percent in 1983 and 1984 for most workers and 4 percent for government employees—a probable 2- to 3-percent average decline in real wages for all workers. Denmark has, however, rejected the idea of following suit behind *Sweden* and *Finland* which devalued their currencies last October by 16 and 11 percent, respectively. According to the press, Sweden's employers hope to take advantage of union disarray to restructure the partial indexation scheme in the new labor pact. Helsinki has also set the removal of indexation as a priority goal, but national incomes policy negotiations have stalled and bargaining has shifted to the individual unions; most contracts expired in March. Sweden, Denmark, and Finland have each imposed wage and price freezes of various types and durations. [ ]

Among the southern European countries, two general strikes inspired by the Communist trade union were attempted in *Portugal* last year for the first time in 48 years, and hostages were held in disputes, an action reminiscent of the chaotic 1974-75 revolutionary period. Last year a ceiling was placed on civil service salaries in an attempt to contain wage costs, but average salaries in the major public enterprises rose 15 percent. This year, workers at the nationalized shipyards have already agreed not to strike and to remove or reduce benefits in return for assurances of job security. Additionally, legislation was passed requiring 60 percent of all wage increases above the national 17-percent guideline to be paid into the social security fund. In *Spain* the national collective bargaining negotiations are under way. Labor observers expect a new National Employment Agreement that will result in about a 1-percent decline in real wages this year. According to press reports, a labor commission formed to break the negotiating deadlock is also eyeing the possibility of permanently dropping

certain components of the price index used for wage adjustments. In December, *Greece* announced an incomes policy reducing and delaying indexation. Athens and Lisbon have instituted extensive price controls and devalued their currencies. Recent legislation also prevents Greece's 200,000 government employees from striking without obtaining a majority vote in secret ballot. [ ]

Fewer than 700,000 persons will be seeking new agreements in *Canada* this year. Since many contracts are for three years, wage gains will probably average somewhat higher this year than economic conditions warrant. According to Embassy reports, those unions that have negotiated recently have, in general, been more concerned with job security than with pay increases. Coal workers in British Columbia, for example, agreed to slash scheduled 15-percent pay increases to 8 percent and to go to four-day workweeks for the remainder of 1983 to prevent further layoffs. In Quebec, the so-called common front of public-sector unions (300,000 members) struck over the issue of job security. They had already agreed to relinquish up to 19.5 percent of their salaries and to place many teachers on availability—a system of part-time work that involves gradually reducing hours and pay levels over a two-year period to half current levels. National civil servants were told to expect 5 percent this year—a likely 2- or 3-percent decline in real wages. [ ]

Both *Australia* and *New Zealand* implemented wage-price freezes to halt wage hikes that had reached 18 percent for some unions in 1981. Australia halted indexation in mid-1981 and began freezing wages and prices—at territorial discretion—early last year. Federal workers will receive no raises during 1983. New Zealand imposed a general one-year freeze on wages and salaries which began last summer. [ ]

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**Political Setbacks.** Although union membership in OECD countries remains substantial, we believe that union influence in political and economic decision making has lessened and that public support of unions has declined, particularly in Western Europe.<sup>2</sup> Public opinion polls in the Netherlands, Denmark, and Sweden, for example, have indicated considerable opposition to various union-backed plans for investing pension and other wage-earner funds in programs to promote employment. [redacted]

The decline in unions' strength and influence has coincided with several setbacks to their fraternal political parties. Socialist-labor parties left government last year in West Germany and Denmark. The previous year, Belgium's Prime Minister Martens took office with the avowed aim of cutting social spending, and Norway formed a minority conservative government for the first time in 52 years. Even where socialist governments have dominated recent politics, as in France, Spain, Greece, and Sweden, economic policies in these countries have had a distinctly conservative twist. [redacted]

Government support for trade union interests has also declined. Wage cuts or freezes have been proposed or implemented in nearly half of the OECD countries (table 1), and several West European governments have derailed wage indexation schemes that were the crowning achievement of organized labor in the 1960s and 1970s. In our judgment, a significant indicator of waning union strength was the reduction in Italy's *scala mobile*, an automatic cost-of-living adjustment covering most private and public employees. Concessions on indexation have also been made by unions in Belgium, Denmark, Greece, Ireland, the Netherlands, Norway, Spain, and Switzerland. Even Mitterrand's socialist government has taken advantage of union weakness and political alignment to restrict wages and

<sup>2</sup> For a detailed discussion of the political dimensions of trade union issues, see *Unemployment and Economic Stagnation Radicalize European Labor*, INR Report 460-AR, September 1982; *European Labor Mobilizes Against Unemployment and in Defense of the Welfare State*, INR Report 234-AR, September 1981; and *Unemployment and the Welfare State Crisis Confront European Labor*, INR typescript, November 1982. [redacted]

Table 1

## Industrial Countries:

## Restrictions on Prices and Wages, 1981-83

	Price Controls	Wage Freezes <sup>a</sup>	Reduced Indexation	Currency Devaluations <sup>b</sup>
United States		X		
Japan		X		
West Germany		X		
France	X	X		X
United Kingdom <sup>a</sup>				
Italy			X	
Canada				
Australia	X	X		
New Zealand	X	X		
Belgium			X	X
Denmark		X	X	
Finland				X
Greece	X		X	X
Ireland			X	
Netherlands	X	X	X	
Norway			X	
Portugal	X			
Spain			X	
Sweden	X			X
Switzerland	X		X	

<sup>a</sup> Includes national civil service pay freezes enacted or proposed in recent months in addition to general wage freezes. Also, includes countries where the freeze has already been nominally lifted, such as France. Does not include countries, such as the United Kingdom, that have issued guidelines but have not actually prohibited pay raises.

<sup>b</sup> Devaluations lower real wages by raising the prices of imported items.

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reduce unemployment benefits, and Papandreou's socialist government in Greece has attacked unions head on in recent legislation restricting the right of public unions to strike. [ ]

**Union Reactions.** Faced with economic instability, declining membership and bargaining power, and faltering influence in national politics, leaders of predominantly socialist unions have had to accept austerity in government programs they support. In some cases they have tried, with little success, to take their case directly to the people. Most of the recent labor protest campaigns, including brief work stoppages in the United Kingdom, Italy, and France, have been of such a nature, focusing on unemployment, monetary policies, and wage restraints. Concurrently, unions have sought to retain worker support and enthusiasm by concentrating their attention on international issues. The European Trade Union Confederation, for example, has issued public calls for:

- Restraints on multinational corporations.
- Detente between the United States and the Soviet Union.
- Dialogue between developed and developing nations.
- Collaboration by unions, parties, and political activists to protest US foreign policy. [ ]

Moreover, although most major union federations have not done so, individual unions have begun to cooperate with autonomous protest movements—environmentalist, prodismament and antinuclear, ethnic, and others. We believe that these connections are an attempt by unions to regain political clout by piggybacking on popular movements. In the Netherlands, for example, militant members of the dockworker, teacher, and metalworker unions joined peace movement efforts to oppose the deployment of NATO intermediate-range nuclear weapons on Dutch territory. Pressure from Norway's major labor confederation, the LON, and from peace movement members locked the Labor Party into a rigid electoral campaign position of support for the Nordic nuclear-weapons-free zone. In West Germany, the metalworker, teacher, and printer unions have opposed INF deployment, and the press reports that the major union federation (DGB) will criticize the INF program at its annual peace festival this September. [ ]

## Outlook

Although the recession has contributed to recent setbacks, we believe that basic structural shifts in developed-country economies are working against organized labor:

- Much union power resides in basic manufacturing industries such as iron, steel, and other metals; automobiles; petroleum; rubber; and chemicals. Demand for many of these products has slackened in the industrial countries, and competition from developing countries is intense. Employment growth prospects are nearly nonexistent—several industries have been reducing jobs for more than a decade and cannot provide a springboard for union resurgence.
- Concurrently, employment-growth fields in information services, communications, and other electronic equipment production have not been fertile areas for union organization. Firms in these product lines are generally newer, smaller, more competitive ventures employing relatively few skilled technicians.
- Austere government budgets and a more conservative political outlook in many industrial countries make it less likely that public service will be a growth sector in the 1980s. Consequently, public unions—organized labor's power base of the 1970s—probably will also find their influence eroding. [ ]

In addition to these demand-for-labor factors that we believe will tax union strength during the next several years, labor-supply trends also are likely to be a constraint. According to our projections, the West European labor force, for example, will rise by 9 million persons between now and 1990, keeping unemployment a serious problem until late in the decade.<sup>3</sup> [ ]

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In this environment of weakening political and economic influence, labor leaders are likely to become preoccupied with hindering developments that could accelerate structural economic changes. According to Department of State reports and press interviews with union leaders, the primary concerns of organized labor for the 1980s include:

- The effects of mass unemployment and economic stagnation on the labor force and organized labor.
- Technology and job security.
- Declining labor mobility.
- High interest rates, currency devaluation, disinvestment, and capital markets.
- The concentration of economic power under foreign control.
- Uncertainties under the international monetary system.
- Economic rivalries among the industrial countries.
- Competition from LDCs. [redacted]

The nature of these concerns suggests increased emphasis by trade union movements on international sources of labor and union problems. To the extent that governments address these concerns, further tension could be injected into economic relations with the United States. In particular, unions seem likely to argue that existing international trade, investment, and monetary arrangements are impediments to restoring economic security. This focus on international issues has already led some union leaders to criticize NATO missile deployment and sanctions against the Soviet-West European pipeline. [redacted]

In addition, we believe that the decline in union strength will continue to have a strong influence on the political makeup of Western Europe.<sup>4</sup> Recent election results in the United Kingdom, West Germany, Norway, and the Netherlands show that many members of the principal socialist-dominated labor unions split their vote between the center-right and radical left. We believe that the swing to the left reflects the growing involvement of younger members and union militants in protest parties or antiestablishment groups out of frustration over their inability to

influence politics by traditional means. Whether the gains to the center-right will be permanent is uncertain. Economic recovery could solidify the shift by union members to conservative voting stances if the association is made between conservative governments and economic success. A continuation of economic difficulties, however, could cause a swing back to the left [redacted]

Over the longer haul, widespread frustration because of union impotence in wage and job security issues could potentially find an outlet in political activism, general labor strikes, and, less likely, civil disorder. Work stoppages primarily for job-related reasons, however, are likely to remain relatively insignificant until recovery is well under way and union confidence is restored. [redacted]

In terms of the strictly economic fallout, declining union strength could benefit industrial-country economies:

- Less stringent work rules, resulting from reduced bargaining power, may reduce union resistance to changing job tasks; this would speed structural adjustment and improve efficiency and worker productivity.
- Union roles in public education through extensive use of apprenticeships, narrowly focused technical instruction, and on-the-job training—particularly important in Western Europe—probably will diminish as it becomes evident that this emphasis on specialization has reduced labor force flexibility.

Moreover, weaker unions in Western Europe could aid in the revitalization of European competitiveness. The gap between changes in West European unit labor costs and those in Japan and the United States has narrowed in recent years. If the relative labor cost performances continue, some of the loss in overall competitiveness previously suffered by West European industries in the 1970s could be regained. This outcome is not likely to pose a challenge to US-Japanese dominance in high-technology products—where labor costs are not as important—but could mean a gain in West European trade shares for medium-technology goods. [redacted]

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## **Appendix A**

### **Union Membership in the Industrial Countries**

Union membership, as a share of the total work force, declined between the end of World War II and the late 1950s. Labor force growth was rapid during this time—outpacing both employment growth in union-dominated sectors and the rate at which new industries were organized. Between 1960 and 1975, labor unions staged a comeback by switching their organizational efforts from mining and manufacturing to the rapidly growing public-service sectors. After 1975 there was noticeably less organizational activity, and the ratio of union to nonunion workers remained almost constant until the current recession began in 1980. Since then, West European unions have lost millions of members—estimates are both incomplete and imprecise—to layoffs and plant closings. The United States and Japan have also experienced eroding union membership but to a much lesser degree.

Most of the labor union membership statistics in the following tables were published by either the OECD or by the governments of the respective countries. Some numbers reported in the press were used when they appeared to be consistent with official data. Problems of international comparison are quite serious. Deficiencies include:

- Inflated reporting by unions.
- Incomplete coverage of labor organizations in government reports.
- Gaps in time series.
- Inconsistent definitions of union membership.

We believe that the data are best used to compare changes in membership within a country or region over time and not differences between countries.



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Table 2

Selected Industrial Countries:  
Trends in Union Membership*Thousands*  
(except where noted)

Membership/Percent of Labor Force	1960	1965	1970	1975	1980
<b>United States</b>					
Membership	<b>18,117</b>	<b>18,519</b>	<b>20,752</b>	<b>21,129</b>	<b>21,896</b>
Percent of labor force	23.6	22.4	22.6	22.3	20.9
<b>Japan</b>	<b>7,516</b>	<b>10,147</b>	<b>11,605</b>	<b>12,590</b>	<b>12,309</b>
	16.7	21.2	22.7	23.7	22.0
<b>West Germany <sup>a</sup></b>	<b>6,379</b>	<b>6,574</b>	<b>6,700</b>	<b>7,365</b>	<b>7,883</b>
	24.0	24.3	25.0	27.9	29.5
<b>France <sup>b</sup></b>	<b>2,600</b>	<b>2,858</b>	<b>3,578</b>	<b>3,796</b>	<b>3,800</b>
	14.0	14.5	17.0	17.7	16.9
<b>United Kingdom</b>	<b>8,299</b>	<b>8,868</b>	<b>10,002</b>	<b>12,193</b>	<b>12,947</b>
	36.9	37.4	43.4	51.2	53.7
<b>Italy <sup>c</sup></b>	<b>6,102</b>	<b>7,128</b>	<b>8,070</b>	<b>11,250</b>	<b>10,788</b>
	29.3	36.1	41.8	57.3	51.8
<b>Canada</b>	<b>1,459</b>	<b>1,589</b>	<b>2,173</b>	<b>2,884</b>	<b>3,278</b>
	23.5	23.2	27.2	29.8	31.3
<b>Australia</b>	<b>1,912</b>	<b>2,100</b>	<b>2,433</b>	<b>2,774</b>	<b>NA</b>
	46.6	45.0	44.4	45.3	NA
<b>Belgium</b>	<b>1,468</b>	<b>1,642</b>	<b>1,720</b>	<b>NA</b>	<b>2,000</b>
	39.9	43.4	44.9	NA	48.3
<b>Denmark</b>	<b>706 <sup>d</sup></b>	<b>NA</b>	<b>NA</b>	<b>1,307</b>	<b>1,702</b>
	33.7	NA	NA	52.6	63.8
<b>Finland</b>	<b>275</b>	<b>NA</b>	<b>NA</b>	<b>1,332</b>	<b>1,587</b>
	30.0	NA	NA	58.6	68.6
<b>Netherlands</b>	<b>1,325</b>	<b>1,435</b>	<b>1,524</b>	<b>1,710</b>	<b>1,792</b>
	41.1	31.6	32.1	34.3	33.7
<b>Norway <sup>e</sup></b>	<b>550</b>	<b>570</b>	<b>602</b>	<b>636</b>	<b>750</b>
	37.7	38.1	37.6	36.4	38.1
<b>Spain <sup>f</sup></b>					<b>4,385</b>
					33.8
<b>Sweden</b>	<b>1,900</b>	<b>2,100</b>	<b>2,146</b>	<b>2,819</b>	<b>3,413</b>
	53.7	56.2	54.8	68.3	79.0

<sup>a</sup> Includes only the DGB (German Trade Union Association).<sup>b</sup> Includes only the major confederations, which represent approximately two-thirds of total union membership. An estimated one-fourth of union constituents pay no dues.<sup>c</sup> Because pensioners and associate members are usually counted as active members, membership estimates are exaggerated by 10 to 25 percent.<sup>d</sup> Includes only LOD (Danish Federation of Trade Unions).<sup>e</sup> Includes only LON (Norwegian Federation of Trade Unions), which represents about 80 percent of total union membership.<sup>f</sup> One official trade union was legislated in 1938 to which all employees theoretically belonged. In 1977 the divestiture of the different unions, apparent before, was legalized, and the freedom of association and right to strike were recognized by royal decree.

Source: OECD, government publications, and press reports.

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**Table 3**  
**Selected Industrial Countries:**  
**Current Union Membership,**  
**by Major Unions or Union Federation <sup>a</sup>**

Federations	Affiliated Unions	Membership (thousands)
<b>United States</b>		
AFL-CIO (American Federation of Labor-Congress of Industrial Organizations)	112	16,699
Independent unions	63	5,197
<b>Japan <sup>b</sup></b>		
SOHYO	50	4,553
DOMEI	32	2,147
CHURITSUOREN	10	1,337
SHINSAMBETSU	5	63
International Metalworkers Federation Council	NA	1,864
International Federation of Chemical, Energy, and General Workers' Union, Japanese Affiliate	NA	679
Independent unions	NA	1,666
<b>West Germany</b>		
DGB (German Trade Union Association)	17	7,883
DAG (German White Collar Trade Union)	7	495
DBB (German Civil Servants Association)	NA	821
Other	NA	63
<b>France</b>		
CGT (General Confederation of Labor)	40	2,500
CFDT (French Confederation of Democratic Workers)	29	600
CGT-FO (General Confederation of Labor-Workers' Force)	36	500
CGC (Confederation of Supervisory Staffs)	NA	200
<b>Australia</b>		
ACTU (Australian Council of Trade Unions) including:	150	1,400
Amalgamated Metalworkers and Shipwrights		163
AWU (Australian Workers Union)		139
SDA (Shop, Distribution, and so forth)		135
FCU (Federated Liquor and Allied Clerks)		120
<b>Belgium</b>		
CSC (Confederation of Christian Unions)	NA	1,046
FGTB (General Confederation of Labor in Belgium)	15	1,113
CGSLB (General Confederation of Liberal Trade Unions)	NA	120
<b>Denmark</b>		
LOD (Danish Federation of Trade Unions)	39	1,249
FDTF (Joint Council of Danish Public Servants and Salaried Employees' Organization)	41	277
Other	32	175

**Table 3**  
**Selected Industrial Countries:**  
**Current Union Membership,**  
**by Major Unions or Union Federation <sup>a</sup> (continued)**

Federations	Affiliated Unions	Membership (thousands)
<b>Finland</b>		
SAK (Central Organization of Finnish Trade Unions)	29	1,003
TVK (Confederation of Salaried Employees)	20	317
AKAVA (Central Organization of Professional Workers Association)	49	157
CTEOF (Confederation of Technical Employee Organization)	12	99
Independent unions	14	12
<b>Netherlands</b>		
NVV (Socialist Union Federation)	NA	730
NKV (Catholic Union Federation)	NA	352
CNC (Protestant Union Federation)	NA	262
Other	NA	445
<b>United Kingdom</b>		
TUC (Trade Unions Congress) including:	109	12,500 <sup>d</sup>
TGWU (Transport and General Workers Union)		2,086
AUEW (Amalgamated Union of Engineering Workers)		1,510
NUGMW (National Union of General and Municipal Workers)		967
Nalgo (National and Local Government Officers Association)		753
Nupe (National Union of Public Employees)		692
Other unions with membership of more than 100,000	22	4,834
<b>Italy <sup>e</sup></b>		
CGIL (General Confederation of Labor)	38	4,300
CISL (Confederation of Workers Unions)	41	3,000
UIL (Italian Union of Labor)	32	1,200
CISNAL (National Confederation of Italian Labor)	64	2,000
<b>Canada</b>		
AFL-CIO/CLC (the US AFL-CIO and the Canadian Labor Congress) including:	96	2,204
Canadian Union of Public Employees (CLC)		231
United Steelworkers of America (AFL-CIO/CLC)		199
Public Service Alliance of Canada (CLC)		154
United Automobile, Aerospace, and Agricultural Implement Workers of America (CLC)		130
National Union of Provisional Government Employees		128
CNTU (Confederation of National Trade Unions)	9	178
Independent unions and other	487	896

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Table 3 (continued)

Federations	Affiliated Unions	Membership (thousands)
<b>Norway</b>		
LON (Norwegian Federation of Trade Unions)	36	750
<b>Spain <sup>f</sup></b>		
UGT (General Workers Union)	15	2,000
CSCO (Workers Commissions)	NA	1,605
CNT (National Confederation of Labor)	NA	140
USO (Union of Organized Labor)	NA	640
<b>Sweden</b>		
LOS (Swedish Federation of Trade Unions)	25	2,127
TCO (Central Organization of Salaried Employees)	21	1,043
SACO-SR (Swedish Confederation of Government Employees)	26	225

<sup>a</sup> Latest available data used for breakdown of union membership; in most cases 1981 information was latest available.

<sup>b</sup> A movement is under way to unify Japan's private-sector unions under ZENMIN ROKYO (National Council of Private-Sector Labor Unions).

<sup>c</sup> The *Economist* claims that the actual number of dues-paying members is nearer 1.5 million.

<sup>d</sup> TUC membership had declined to 11.5 million by the end of 1982, according to press reports.

<sup>e</sup> Because pensioners and associate members are usually counted as active members, membership estimates are exaggerated by 10 to 25 percent.

<sup>f</sup> One official trade union was legislated in 1938 to which all employees theoretically belonged. In 1977 the divestiture of the different unions, apparent before, was legalized, and the freedom of association and right to strike were recognized by royal decree.

Source: OECD, government publications, and press reports.



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## Appendix B

### Work Stoppages in the Industrial Countries

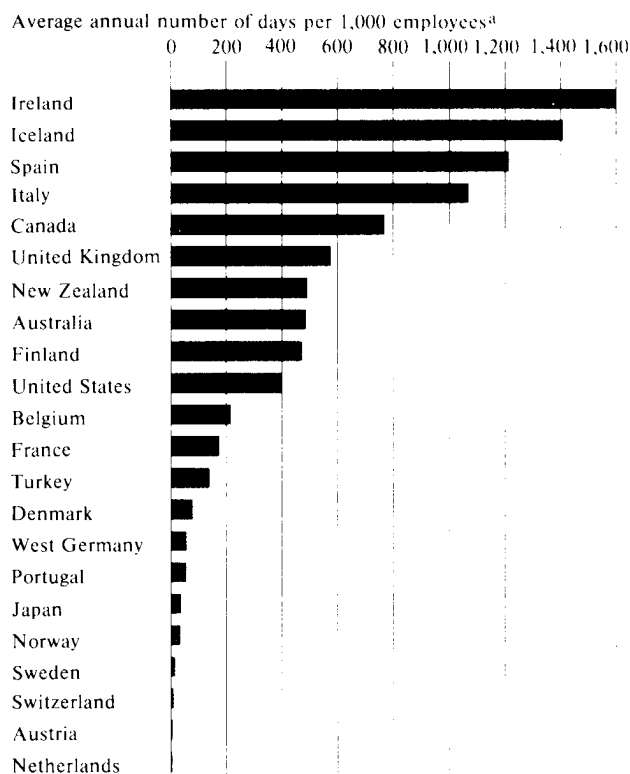
The accompanying chart ranks OECD countries by the average amount of time lost to industrial disputes in recent years. Countries that experience the greatest losses to strikes generally have smaller collective bargaining units and more frequent negotiations than do others. Almost all countries with enterprise-level wage bargaining—as in Canada and the United Kingdom—are more strike prone than countries with primarily national-level bargaining, such as West Germany or Sweden. European unions in general strike more frequently than do their North American counterparts, but actions are seldom as long lived.

Strikes remain the basic form of action used in industrial disputes; lockouts are used sparingly and probably represent less than 1 percent of all days lost to labor conflicts. Other forms of pressure exerted by employees include slowdowns or “work-to-rule” actions that, by strict adherence to the letter of often forgotten or obsolete rules, seriously impair normal activities. Sickouts are commonly used in many countries, and sometimes entire plants will “resign” on the same day. Unions in the United Kingdom have promised to work “without enthusiasm” until a grievance is satisfactorily addressed. Action by Japanese unions, in sharp contrast, seldom affects production because of the workers’ close identification with the firm, but it often entails demonstrations outside the plant to signal dissatisfaction.

There are certain ambiguities in strike and lockout data:

- All governments exclude disputes below a certain size.
- A distinction must be made between workers that are directly involved in strikes and those indirectly rendered idle.
- Estimates of workdays lost are affected by different methods of incorporating the workweek, paid holidays, and vacations in the statistics.
- Some countries routinely exclude certain industries from the statistics.

**Figure 4**  
**OECD: Workdays Lost to Strikes and Lockouts, 1976-79**



<sup>a</sup> The number of days lost because of labor disputes is divided by the number of employed persons in each country to make crosscountry comparisons meaningful. Source: OECD.



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- Some countries exclude lockouts from official statistics.
- Despite a certain lack of precision, we think the data are reasonably accurate and usable.



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**Table 4**  
**Industrial Countries: Work Stoppages, 1964-82 <sup>a</sup>**

	1964-68	1969-73	1974-75	1976-79	1980	1981	1982
<b>United States</b>							
Disputes	4,332.6	5,383.4	5,552.5	5,052.7	3,873.0	3,003.0	1,201.0
Workers involved ( <i>thousands</i> )	2,133.8	2,606.2	2,262.0	1,952.5	1,366.0	1,253.0	646.4
Workdays lost (per 1,000 employees)	443.7	531.8	463.4	397.3	343.2	275.8	83.6
<b>Japan</b>							
Disputes	1,357.6	2,478.8	4,301.0	1,775.5	1,133.0	NA	NA
Workers involved ( <i>thousands</i> )	1,152.1	1,761.6	3,176.6	789.3	562.9	NA	NA
Workdays lost (per 1,000 employees)	67.7	92.0	169.0	33.1	50.0	35.0	NA
<b>West Germany</b>							
Disputes	NA	NA	NA	NA	NA	NA	NA
Workers involved ( <i>thousands</i> )	58.5	203.6	143.1	192.0	45.2	NA	NA
Workdays lost (per 1,000 employees)	3.9	40.9	21.4	52.7	5.0	2.3	1.1
<b>France</b>							
Disputes	1,468.2	3,462.4	3,634.5	3,490.0	3,542.0	NA	NA
Workers involved ( <i>thousands</i> )	2,001.0	2,161.0	1,695.3	1,403.6	500.8	NA	NA
Workdays lost (per 1,000 employees)	105.0	153.1	171.4	172.0	79.8	71.8	117.1
<b>United Kingdom</b>							
Disputes	2,261.8	2,924.0	2,602.0	2,317.5	1,330.0	NA	NA
Workers involved ( <i>thousands</i> )	1,058.9	1,581.2	1,217.6	1,870.8	833.7	NA	NA
Workdays lost (per 1,000 employees)	122.5	516.2	420.6	530.4	495.9	142.2	310.7
<b>Italy</b>							
Disputes	3,090.8	4,414.6	4,387.5	2,623.2	2,238.0	NA	NA
Workers involved ( <i>thousands</i> )	2,910.0	5,111.6	10,967.2	12,678.0	13,825.0	NA	NA
Workdays lost (per 1,000 employees)	564.5	1,086.0	1,268.6	1,066.1	855.7	545.5	619.7
<b>Canada</b>							
Disputes	513.0	605.6	1,194.5	987.5	1,026.0	NA	NA
Workers involved ( <i>thousands</i> )	231.9	372.6	543.7	663.2	442.2	NA	NA
Workdays lost (per 1,000 employees)	499.9	751.6	1,092.8	766.1	844.6	809.2	414.8
<b>Australia</b>							
Disputes	1,401.2	2,398.4	2,620.5	2,116.0	2,419.0	NA	NA
Workers involved ( <i>thousands</i> )	523.8	1,179.2	1,701.4	1,431.2	1,170.1	NA	NA
Workdays lost (per 1,000 employees)	178.7	438.3	837.8	483.3	532.6	665.1	382.6
<b>New Zealand</b>							
Disputes	117.0	293.0	404.0	495.7	352.0	NA	NA
Workers involved ( <i>thousands</i> )	29.8	83.3	72.9	169.1	108.1	NA	NA
Workdays lost (per 1,000 employees)	129.1	253.0	235.3	488.6	414.3	282.0	206.6
<b>Austria</b>							
Disputes	NA	NA	NA	2.0	9.0	NA	NA
Workers involved ( <i>thousands</i> )	63.7	22.5	5.5	1.0	24.2	NA	NA
Workdays lost (per 1,000 employees)	23.6	17.6	2.4	1.1	6.2	NA	NA



Table 4 (continued)

	1964-68	1969-73	1974-75	1976-79	1980	1981	1982
<b>Belgium</b>							
Disputes	57.4	157.2	239.0	227.7	NA	NA	NA
Workers involved ( <i>thousands</i> )	33.6	69.7	70.8	79.7	NA	NA	NA
Workdays lost (per 1,000 employees)	88.0	219.7	157.4	213.6	56.4	143.0	NA
<b>Denmark</b>							
Disputes	27.6	79.2	140.5	241.0	225.0	NA	NA
Workers involved ( <i>thousands</i> )	14.3	88.6	100.7	84.9	62.1	NA	NA
Workdays lost (per 1,000 employees)	23.1	344.4	60.6	76.1	NA	NA	NA
<b>Finland</b>							
Disputes	73.2	619.0	1,662.5	1,938.5	2,182.0	NA	NA
Workers involved ( <i>thousands</i> )	30.7	321.2	292.9	96.6	407.3	NA	NA
Workdays lost (per 1,000 employees)	75.8	568.1	161.5	468.7	728.8	291.4	63.1
<b>Iceland</b>							
Disputes	44.0	44.0	108.0	106.2	14.0	NA	NA
Workers involved ( <i>thousands</i> )	9.7	10.6	25.9	28.5	4.2	NA	NA
Workdays lost (per 1,000 employees)	873.1	1,230.1	833.6	1,405.3	NA	NA	NA
<b>Ireland</b>							
Disputes	98.4	142.8	185.0	150.2	NA	NA	NA
Workers involved ( <i>thousands</i> )	35.2	37.7	36.3	39.6	NA	NA	NA
Workdays lost (per 1,000 employees)	466.4	501.3	401.3	1,596.5	NA	NA	NA
<b>Netherlands</b>							
Disputes	30.4	36.0	9.5	17.5	28.0	NA	NA
Workers involved ( <i>thousands</i> )	9.8	35.6	1.6	21.4	26.4	NA	NA
Workdays lost (per 1,000 employees)	5.8	46.8	0.8	0.9	11.2	4.8	6.9
<b>Norway</b>							
Disputes	6.0	10.0	17.5	18.5	35.0	NA	NA
Workers involved ( <i>thousands</i> )	0.6	2.0	12.7	7.8	18.8	NA	NA
Workdays lost (per 1,000 employees)	4.5	11.8	99.6	29.5	54.3	NA	NA
<b>Portugal</b>							
Disputes	NA	NA	NA	258.7	269.0	NA	NA
Workers involved ( <i>thousands</i> )	NA	NA	NA	143.6	289.6	NA	NA
Workdays lost (per 1,000 employees)	NA	NA	NA	52.0	135.0	NA	NA
<b>Spain</b>							
Disputes	241.0	805.6	2,408.0	2,166.0	NA	NA	NA
Workers involved ( <i>thousands</i> )	108.9	296.3	530.8	3,772.1	NA	NA	NA
Workdays lost (per 1,000 employees)	16.4	66.1	138.1	1,212.3	NA	NA	NA

**Table 4**  
**Industrial Countries: Work Stoppages, 1964-82 <sup>a</sup> (continued)**

	1964-68	1969-73	1974-75	1976-79	1980	1981	1982
<b>Sweden</b>							
Disputes	12.4	65.4	85.5	103.5	212.0	NA	NA
Workers involved ( <i>thousands</i> )	6.4	22.0	20.6	15.6	746.7	NA	NA
Workdays lost (per 1,000 employees)	21.0	58.6	52.3	10.8	1,057.2	NA	NA
<b>Switzerland</b>							
Disputes	1.4	4.0	4.5	11.5	5.0	NA	NA
Workers involved ( <i>thousands</i> )	0.1	0.6	0.3	1.4	3.6	NA	NA
Workdays lost (per 1,000 employees)	0.0	0.8	0.7	5.5	1.9	NA	NA
<b>Turkey</b>							
Disputes	61.2	92.2	109.0	124.7	NA	NA	NA
Workers involved ( <i>thousands</i> )	7.6	14.5	18.4	77.0	NA	NA	NA
Workdays lost (per 1,000 employees)	7.5	34.9	38.6	137.4	NA	NA	NA

<sup>a</sup> Average annual data on work stoppages. Workdays lost are per thousand employed persons to enable meaningful cross-country comparisons of labor strife.

Source: International Labor Office (ILO) and the OECD.

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